



# The Real Estate TRENDS

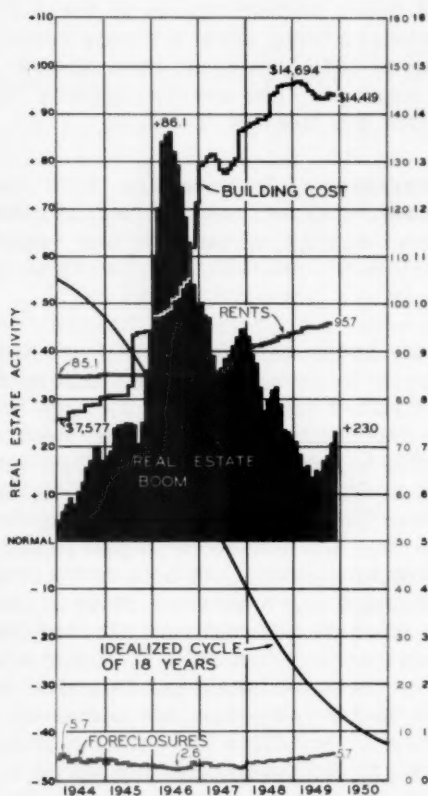
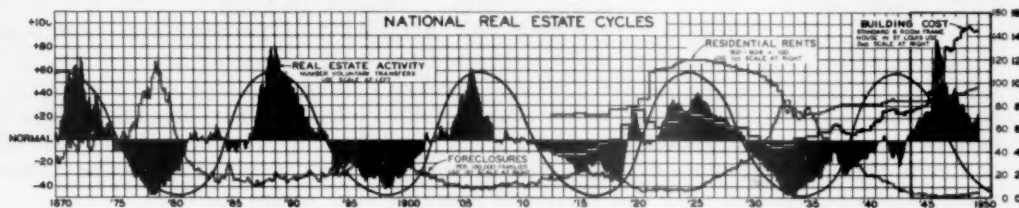
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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS



**I**N our July 1949 Trends Bulletin we published a mid-year review of our forecasts made at the beginning of the year. This issue will be primarily devoted to a final review of these guesses. Although December figures are not available, enough of the year has passed to indicate whether or not we hit the target. In some cases our guesses were dead center, in others, somewhat toward the outer rim, and in one or two instances we missed completely. Following are the forecasts made on the front page of the January Trends Bulletin, and a description of what has happened since.

## REAL ESTATE ACTIVITY

"Will continue to drop - but perhaps at a slower rate." Although real estate activity has recovered strongly in the past six months, each of the first ten months of 1949 was lower than its corresponding month in 1948. The present period of recovery may move into 1950 before turning down once more. Two years ago we forecast an activity level of approximately 18 points above normal for

the end of 1949. At present the index is 23 points above normal. For the year 1949 real estate activity is slightly more than 10% below that of 1948.

#### REAL ESTATE VALUES

"Most types down - a few will move sideways. Little or no increase." Most types have fallen off slightly in price, while the market value of newer homes, say 5 to 10 years old, has moved sideways. We have heard of no types of property where the market value has risen during 1949.

#### RENT CONTROLS

"At least one year, probably two or more. Little, if any, relief - end not in sight." This series of guesses was actually too pessimistic. Although controls were extended, they were extended for only one year and the way was provided for individual States and areas to declare themselves free of Federal rent regulation. Several States and many smaller districts have already taken advantage of this home rule provision. Meanwhile, the Housing Expediter has removed controls from an increased number of areas, although most of them are rather small when compared with the millions of units still under control.

#### REAL ESTATE MORTGAGE ACTIVITY

"Although government action may promote some recovery, the trend will be down." During the last few months additional authorizations to the FHA and FNMA have helped bring about a strong recovery in mortgage activity. The first ten months of 1949, however, show an average activity of about 18 points below the 1948 average. The average activity for 1948 was 174.0, while the average for 1949 (first ten months) is 156.3.

#### FORECLOSURES

"Some slight increases." In December 1948 the corrected foreclosure index was 4.4 per 100,000 nonfarm families. Since then the rate has angled slowly upward to its present level of 5.7 foreclosures per 100,000. Needless to say, this rate is very low.

#### MORTGAGE INTEREST RATES

"Government can keep them fairly stable. Any rise will be slow." Because of the fact that each loan should be counted separately, an average interest rate for the entire nation, or for even a representative group of cities, is almost impossible to compile. We have, however, kept a close count on all mortgages recorded in St. Louis. In January 1949 the average interest rate on residential mortgages in St. Louis was 5.12. During the first half of the year it dropped to 5.01 and since then has leveled off at that figure. While there will naturally be local deviations from this pattern, we believe that the St. Louis index is a fairly good guide to what is happening to interest rates in the country as a whole. This is not to say that the average interest rate all over the country was 5.12 and declined to 5.01. The mortgages recorded in St. Louis are predominantly on single-family homes, whereas those on Manhattan Island or in other very large urban centers will tend toward large income properties and usually carry a somewhat lower rate. While we have felt for some time that interest rates are too low, we know of no way they can rise so long as the government insists on its policy of easy money and abundant credit.

## REAL ESTATE TAXES

"More increases." During the year the average real estate tax per family in over 90 cities rose from approximately \$150 to \$175. The figure of \$175 for 1949 is preliminary because not all 94 cities have been heard from. The information available to date indicates an increase of about this magnitude.

## CONSTRUCTION COSTS

"Lower, but not much." On pages 540 and 541 are shown the present construction costs of our seven standard buildings. These costs are compared with those of January 1949, and the percentage decrease since then is shown for each building. If a contractor had built all seven buildings in January, the total cost would have been \$541,366 against a \$533,243 cost for building them in December. This is an over-all drop of 1.5%. In some other parts of the country, costs have dropped as much as 5%. Although the actual construction cost on residential properties has declined rather slightly, their selling price has gone down a bit more as contractors have shaved profit margins.

The chief ingredient in the cost decline has been better supplies of materials at lower prices. During the year the wholesale building material price index declined about 6%, while the lumber price index declined 8%. From its peak of 319.5 reached in August 1948, the lumber index has fallen almost 12%. In the last several weeks these prices have been bobbing around somewhat.

## CONSTRUCTION VOLUME

"Also lower." We guessed very badly all along the line on construction volume. We estimated a 7-1/2% decline from the 1948 total, or a figure of 850,000 nonfarm units. While December figures are not yet available, it looks as if a total of between 1,010,000 and 1,030,000 nonfarm units will be started in 1949. If this is the case, our guess will miss the total by 16 to 17%. This is not good guessing. Our only consolation lies in the fact that all of our critics took issue with our 850,000 guess as being too high.

In the forecast issue of the Real Estate Analyst we also attempted to estimate residential construction volume by the various regions. Since we started with such an incorrect assumption (850,000 total units), it goes without saying that our regional forecasts were also very far out of step.

We were also wrong in the following statement: "Insofar as the dollar volume of all types of new construction is concerned, we think that it will not exceed the total of \$17.78 billion of 1948, and may quite possibly drop below that figure." Total construction volume for 1949 is expected to reach \$19.25 billion. So this guess was wrong by about \$1.5 billion, or 8.5%. In this instance, however, the figure of \$17.78 billion with which we began our calculations was a preliminary figure and later turned out to be \$18.78 billion. If the later figure had been available at the time of our first guess, we would not have been quite so far wrong.

Also in the January Trends Bulletin were the following guesses:

"There is a possibility that the government will inflate mortgage activity somewhat by increasing the participation of the FNMA." This increase in the FNMA authorization came during the month of July.

## DECREASES IN BUILDING COSTS SINCE JANUARY 1949

(SAINT LOUIS)

December 1949



### SIX-ROOM BRICK HOUSE

(FRAME INTERIOR)\*

Content: 23,100 cubic feet

1,520 square feet

Cost 1/49: \$14,834

Cost today: 14,540

(63.0¢ per cubic foot; \$9.56 per square foot)

DECREASE = 2.0%



### FIVE-ROOM BRICK VENEER HOUSE\*

Content: 24,910 cubic feet

1,165 square feet

Cost 1/49: \$13,013

Cost today: 12,770

(51.3¢ per cubic foot; \$10.90 per square foot)

DECREASE = 1.9%



### SIX-ROOM FRAME HOUSE\*

Content: 25,376 cubic feet

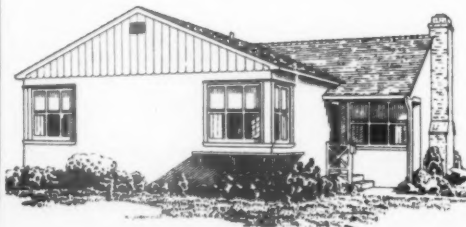
1,650 square feet

Cost 1/49: \$14,671

Cost today: 14,419

(57.0¢ per cubic foot; \$8.74 per square foot)

DECREASE = 1.7%



### 6-ROOM CALIFORNIA BUNGALOW - NO BASEMENT

Content: 12,119 cubic feet

992 square feet

Cost 1/49: \$7,663

Cost today: 7,512

(62.0¢ per cubic foot; \$7.58 per square foot)

DECREASE = 2.0%

\*Costs include full basement.

# DECREASES IN BUILDING COSTS SINCE JANUARY 1949

(SAINT LOUIS)

December 1949



## COMMERCIAL BUILDING - NO BASEMENT

Content: 115,850 cubic feet  
8,075 square feet

Cost 1/49: \$46,709

Cost today: 46,000

(39.8¢ per cubic foot; \$5.70 per square foot)

DECREASE = 1.5%



## 18-FAMILY BRICK APARTMENT (FRAME INTERIOR)\*

Content: 168,385 cubic feet  
13,260 square feet

Cost 1/49: \$143,182

Cost today: 140,582

(83.5¢ per cubic foot; \$10.60 per square foot)

DECREASE = 1.8%



## 30-UNIT REINFORCED CONCRETE APARTMENT\*

Content: 303,534 cubic feet  
21,372 square feet

Cost 1/49: \$301,294

Cost today: 297,420

(97.8¢ per cubic foot; \$13.91 per square foot)

DECREASE = 1.3%

\*Costs include full basement.



"We believe that 1949 will see a reduction of cash income for farms and for that reason expect farm land values to level off some time during the later part of this year." Early estimates of 1949 farm income indicate that the figure for this year will be about 10% below that of 1948. Farm land value per acre reached a peak of \$56.74 in the later part of 1948 and has since declined 3% to a figure of \$55.05.

"The government is definitely committed to maintaining rather substantial price floors on farm products and this will forestall any ruinous drops in the price of farm products. We do believe that some drops will continue, however, and that some of the marginal and less enterprising farm operators will get into financial difficulties before the year is over."

Since December 1948 the farm products price index has fallen from 177.4 to a preliminary figure in December 1949 of 154. This is a drop of 23.4 points, or slightly over 13%. Figures on farm foreclosures are available only for the year ending March 1949, but they show a small increase nationally. Increases in farm foreclosures were most noticeable in New York, New Jersey and Pennsylvania.

"Farm taxes continued to increase through 1947 (the last available figure) to an average of 53¢ per acre. This is within striking distance of the record high tax of 58¢ per acre reached during the late twenties. We will not be at all surprised to see the per acre farm tax reach a new high during 1948 or 1949."

In 1948 the average tax per acre of farm land was 57¢. During 1949 this amount rose over 5% to a figure of 60¢ per acre.

"While expecting some continued decline in the feverish tempo of the boom, we believe that 1949 will be a good year for good business men. We think that there is a very strong possibility of less anti-business legislation from Congress than at first appeared forthcoming. There is even a distinct chance that the tax bill will not be so crushing a burden as Mr. Truman apparently envisions."

The boom did decline but 1949 was a good year for the vast majority of business lines. Actually, Mr. Truman was unsuccessful in having much of his anti-business legislation passed, the most notable exception, of course, being the raise in the minimum wage law limits. Although we thought a tax increase would be forthcoming, we are glad in a way that we were wrong. We guessed a tax increase because it seemed inconceivable that the world's wealthiest and most productive nation would resort to deficit financing during a period of such high prosperity. We're still not sure whether to be glad because taxes were not raised. To be sure, the ideal solution would have been a budget cut to go with the failure to raise taxes, but since this was not to be, we question the long-range wisdom of deficit financing.

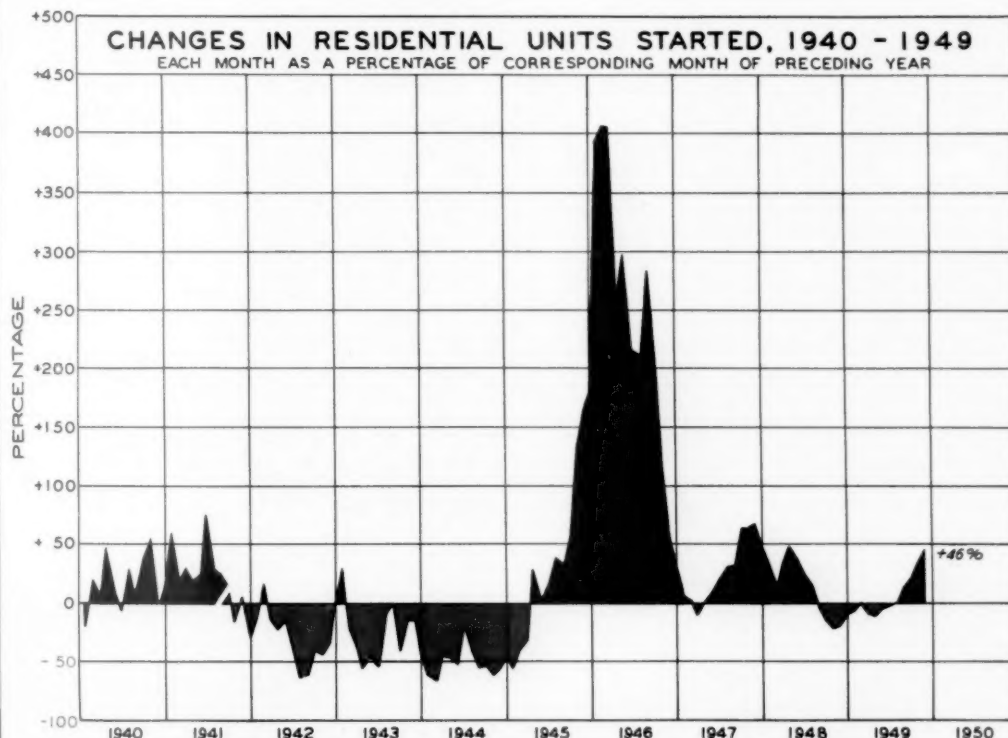
"When the Administration's more radical proposals encounter the 81st Congress we expect them to be toned down quite a bit."

Really very little of Mr. Truman's radical legislation was passed. The housing bill and the minimum wage increase were actually carry-overs from the Roosevelt administration and could hardly be called Truman legislation. On the other big issues - Taft-Hartley, price control, aid to education, socialized medicine, increased unemployment insurance and increased lending authority for the RFC - Congress refused to go along with Mr. Truman's recommendations.

## RESIDENTIAL CONSTRUCTION

**I**N October 1948 we guessed at the volume of residential construction to take place during the first six months of 1949 when we said, "For the first quarter of 1949 we estimate that between 160,000 and 170,000 residential units will be started, and that during the second quarter the figure will be between 260,000 and 270,000." We did much better on this guess than on the one made in the January 1949 Trends Bulletin where we estimated the volume for the entire year. The number of units started during the first quarter of 1949 was 169,800, while the number started during the second quarter was 279,200. On the total six-month estimate, our guess was off only 4%.

The chart below was originally published in the October 1948 Trends Bulletin. It is a very sensitive index of residential construction activity from 1940 through November 1949. The points on the chart represent the percentage change in construction volume above or below the corresponding month of the preceding year. To clarify this somewhat - there were 25,700 residential units started in January 1940, compared with 32,300 in January 1939. Thus, there were 6600 fewer units started in January 1940 than in January 1939. This means that there were 20 per cent fewer units started in January 1940 than there were in January 1939, so the first mark on the chart shows a minus 20 per cent. In February 1946 there were 42,400 units started, compared with 8400 in February 1945. This represents an in-



crease of 34,000, or a 405 per cent increase over February 1945, so the chart shows a reading of plus 405 per cent for February 1946.

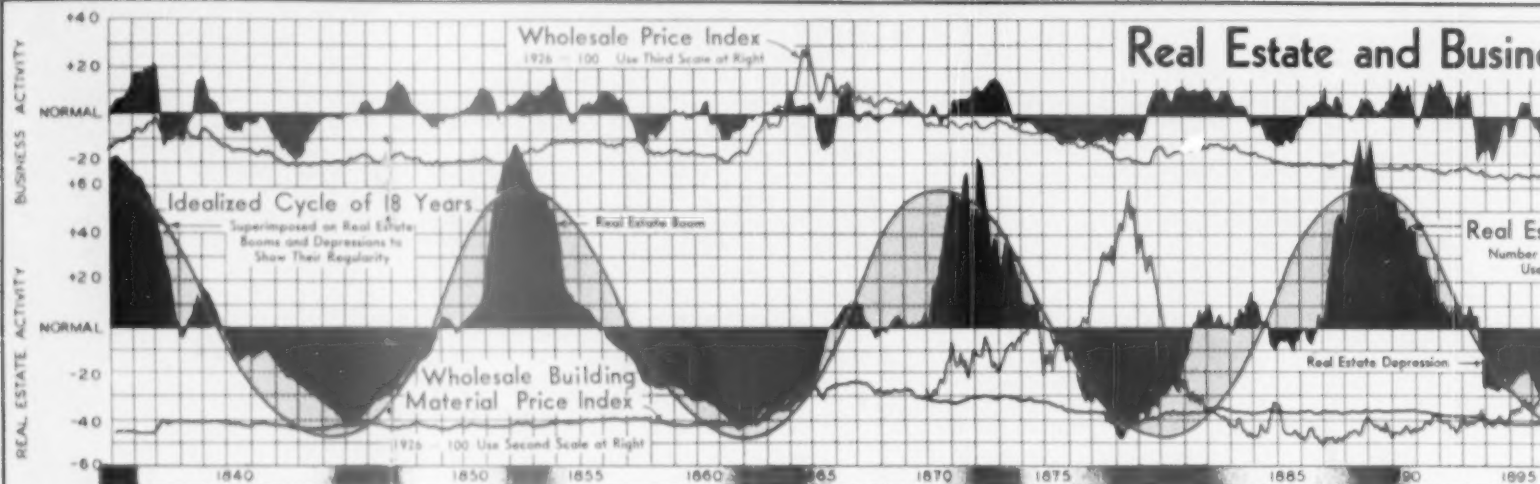
The rapid climb of the index during the last half of 1949 is naturally the result of the tremendous resurgence of residential construction in the past few months. Every month from July through November 1949 has been well above the corresponding month for 1948.

The great rise in this index that appears in the center of the chart was a result of the very low construction rate during 1945 compared with the rapid increases made during 1946. It is hardly possible that such a tremendous leap will occur any time soon.



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# Real Estate and Business



This chart is prepared by Roy Wenzlick & Co. from monthly data accumulated from all principal cities of the United States. This chart summarizes the accumulated experience of more than a century of real estate operations in the United States. It indicates that real estate can be a good long-term permanent investment, but not that any particular piece is necessarily a good investment now. This chart does indicate that the present period is an advantageous time to sell real estate if sale is contemplated for any time during the next ten years. It further indicates that now is the time to reduce mortgage indebtedness to a minimum.

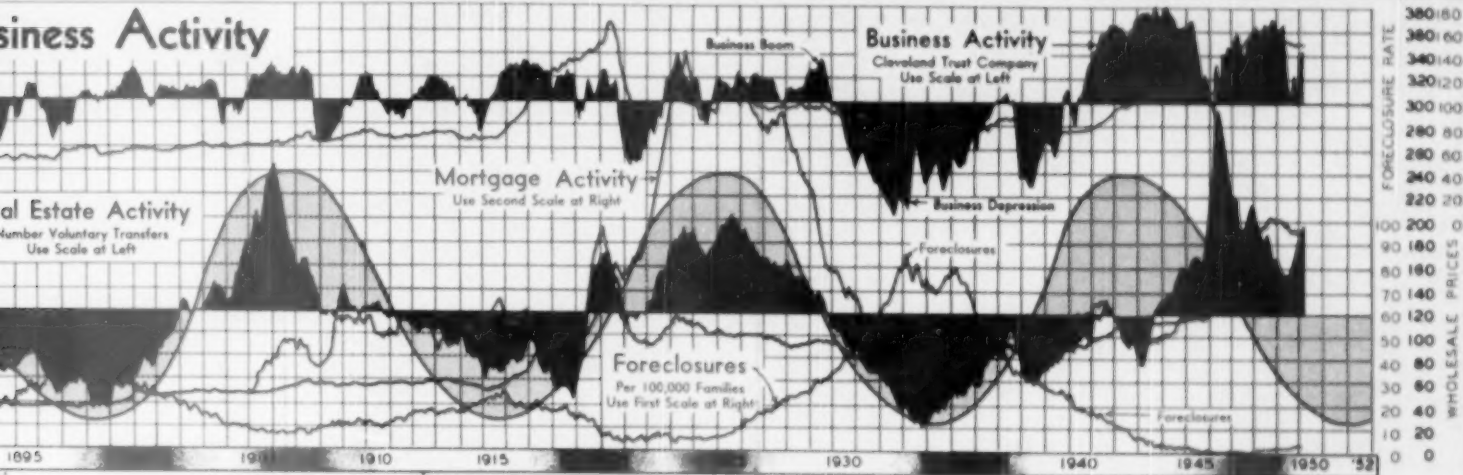
It will be noticed that the peak of the boom in 1946 occurs several years after the peak indicated by the idealized cycle. This discrepancy results from the period of government controls during the war which altered the natural pattern that would have resulted had no controls existed. This discrepancy will, no doubt, be reflected in the pattern of the next cycle, as the low point of the impending downswing will probably appear closer to 1955-1957 than 1951 as the cycle would indicate.

Vacancy Slowly Absorbed.  
Housing Shortage Develops.  
Rents and Market Prices Rise.  
Boom Hysteria Develops.  
Producing Ready Market at Inflated Prices.  
**Sell Real Estate**  
Building Boom Producing Dwelling Units Faster than the Rate of Absorption. Demand Shrinking. Vacancies Increasing. Rents and Values Falling. Foreclosures Depress Prices Throwing Distress Properties on an Uninterested Market.  
**Buy Real Estate**  
Vacancy Slowly Absorbed. Housing Shortage Develops. Rents and Market Prices Rise. Boom Hysteria Develops. Producing Ready Market at Inflated Prices.  
**Sell Real Estate**  
Building Boom Producing Dwelling Units Faster than the Rate of Absorption. Demand Shrinking. Vacancies Increasing. Rents and Values Falling. Foreclosures Depress Prices Throwing Distress Properties on an Uninterested Market.

# Business Activity

## Real Estate Activity

Number Voluntary Transfers  
Use Scale at Left



Shrinking, vacancies increasing.  
Rentals and Values Falling.  
Foreclosures Depress Prices  
Throwing Distress Properties  
on an Uninterested Market.

### Buy Real Estate

Vacancy Slowly Absorbed.  
Housing Shortage Develops.  
Rental and Market Prices Rise.  
Boom, Hysteria Develops,  
Producing Ready Market at  
Inflated Prices.

### Sell Real Estate

Building Boom Producing  
Dwelling Units Faster than the  
Rate of Absorption. Demand  
Shrinking, Vacancies Increasing.  
Rentals and Values Falling.  
Foreclosures Depress Prices  
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### Buy Real Estate

Vacancy Slowly Absorbed.  
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### Sell Real Estate

Building Boom Producing  
Dwelling Units Faster than the  
Rate of Absorption. Demand  
Shrinking Vacancies Increasing.  
Rentals and Values Falling.  
Foreclosures Depress Prices  
Throwing Distress Properties  
on an Uninterested Market.

### Buy Real Estate

Vacancy Slowly Absorbed.  
Housing Shortage Develops.  
Market Prices Rise Until Sales  
Prices Equal or Exceed  
Replacement Cost, Resulting  
in a Building Boom Interrupted  
by War Restrictions.  
Building Boom Resumed.  
Demand Still Increasing.  
Boom, Hysteria Develops,  
Producing Ready Market at  
Inflated Prices.

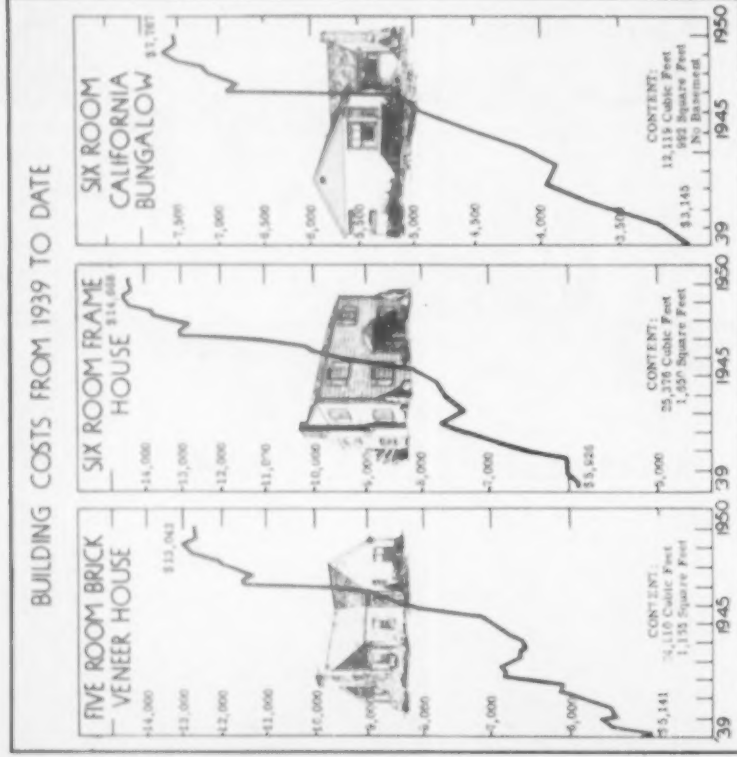
### Sell Real Estate

This chart represents an excerpt from the Real Estate Analyst, one of the regularly published reports of the Wenzlick organization. These reports are being received on an annual subscription basis by leading banks, real estate organizations, building material dealers, savings and loan associations, insurance companies and mortgage bankers located all over the United States and Canada. A check of all known directories of mortgage lenders indicated that the Wenzlick subscribers listed in these directories had assets of slightly less than \$130 billion.

The Wenzlick & Co. is an organization of economists, appraisers and consultants specializing in the field of real estate economics. The organization had its original beginnings as a family real estate firm founded in 1877. In the late twenties a department was formed to undertake research in the little-known field of real estate trends. Ray Wenzlick, directing this research, discovered information of such importance (the existence of the 18-1/2 year real estate cycle) that he was called to Washington in 1931 to participate in President Hoover's Housing Conference.

In 1933 a separate research firm was organized and this basic material on real estate trends was placed in bulletin form. Subscribers to the regular reports are now numbered by the thousands operating in over 600 communities of the United States alone. This basic information has also enabled the Wenzlick organization to serve in many other ways, including appraisals, city surveys, vacancy surveys, mortgage portfolio reviews, appraisal system studies, retail location analysis, parking studies, appraisal system establishment studies, sales analyses for building material firms, to name only a few.

## BUILDING COSTS FROM 1939 TO DATE



## WENZLICK'S MARKET PRICE CALCULATOR

1950 Market Price Of Typical Residence  
 As A Percentage Of Market Prices In Any Year From 1939  
 Arranged By Age Of The Property At The Beginning Of The Period Of Comparison

Year	Age	1938	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
0	0	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
1	1	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
2	2	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
3	3	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
4	4	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
5	5	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
6	6	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
7	7	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
8	8	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
9	9	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
10	10	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
11	11	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
12	12	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
13	13	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
14	14	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
15	15	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
16	16	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
17	17	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0
18	18	132.9	171.1	158.6	150.1	154.7	147.2	139.0	145.8	160.4	169.5	181.5	190.0

16	174.2	187.0	170.1	153.9	150.5	124.9	106.4	89.0	70.3	81.5	92.6	100.0
17	174.8	187.6	170.7	153.4	150.3	125.2	106.2	89.2	70.3	81.3	92.6	100.0
18	175.4	188.3	171.3	154.1	150.1	124.5	106.3	89.4	70.2	81.0	92.4	100.0
19	175.9	189.0	172.0	154.8	151.2	123.0	107.6	89.9	70.1	80.7	92.4	100.0
20	176.5	189.7	172.7	155.5	152.2	124.4	106.8	90.1	70.0	80.5	92.3	100.0
21	177.1	189.4	173.4	156.2	152.9	124.3	106.8	90.0	70.0	80.5	92.3	100.0
22	177.7	189.9	174.1	156.9	153.6	124.9	106.8	90.0	70.0	80.5	92.3	100.0
23	178.4	190.1	174.8	156.4	154.3	124.9	106.8	90.0	70.0	80.5	92.3	100.0
24	179.1	190.2	175.5	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
25	179.8	190.2	176.2	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
26	180.5	190.2	176.9	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
27	181.2	190.2	177.6	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
28	181.9	190.2	178.3	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
29	182.6	190.2	179.0	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
30	183.3	190.2	179.7	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
31	184.0	190.2	180.4	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
32	184.7	190.2	181.1	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
33	185.4	190.2	181.8	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
34	186.1	190.2	182.5	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
35	186.8	190.2	183.2	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
36	187.5	190.2	183.9	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
37	188.2	190.2	184.6	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
38	188.9	190.2	185.3	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
39	189.6	190.2	186.0	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
40	190.3	190.2	186.7	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
41	191.0	190.2	187.4	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
42	191.7	190.2	188.1	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
43	192.4	190.2	188.8	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
44	193.1	190.2	189.5	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
45	193.8	190.2	190.2	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
46	194.5	190.2	190.9	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
47	195.2	190.2	191.6	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
48	195.9	190.2	192.3	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
49	196.6	190.2	193.0	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
50	197.3	190.2	193.7	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
51	198.0	190.2	194.4	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
52	198.7	190.2	195.1	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
53	199.4	190.2	195.8	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
54	200.1	190.2	196.5	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
55	200.8	190.2	197.2	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
56	201.5	190.2	197.9	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
57	202.2	190.2	198.6	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
58	202.9	190.2	199.3	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
59	203.6	190.2	200.0	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
60	204.3	190.2	200.7	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
61	205.0	190.2	201.4	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
62	205.7	190.2	202.1	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
63	206.4	190.2	202.8	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
64	207.1	190.2	203.5	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
65	207.8	190.2	204.2	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
66	208.5	190.2	204.9	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
67	209.2	190.2	205.6	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
68	209.9	190.2	206.3	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
69	210.6	190.2	207.0	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0
70	211.3	190.2	207.7	156.4	154.3	125.1	106.8	90.1	70.0	80.5	92.3	100.0

This table shows the present average sales price of typical residences in relationship to their sales price for any year in the past since 1893. In order to use the table, it is necessary to know the selling price in one of those past years and the age of the property. Then, by following the column for the year of purchase and the row for the age of the property, the percentage of the former selling price, then tell directly the present average selling price. The percentage of the former selling price, making allowances for all the factors which have affected the price in the meantime, such as changes in replacement cost, accrued depreciation, scarcity premium or surplus discount.

Suppose that a residence was purchased in 1940 for \$4,000. At the time of purchase the residence was 17 years old. To find today's average selling price we refer to the 1940 column on the table and read down that column to the 17-year age. We then multiply this figure (after having moved the decimal point two places to the left) by the former selling price, or 1.718 x \$4,000 = \$13,508.

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